



Government of
Saskatchewan

Annual Report 1989-90

Saskatchewan Public Participation

Table of Contents

	Page		
Letters of Transmittal	1	Bond Offerings	6
Organization Chart	2	Bond and Share Offerings to	
The Year in Review	3	March 31, 1990	6
The Public Participation Program	3	Employee Ownership	7
Principles	4	New Forms of Service Delivery	8
Standards for Action	4	Asset Development	9
Objectives	4	Policy and Communications Division	10
Jobs Created to March 31, 1990	5	Operations Division	12
Jobs Preserved and Projected			
to March 31, 1990	5		

Letters of Transmittal



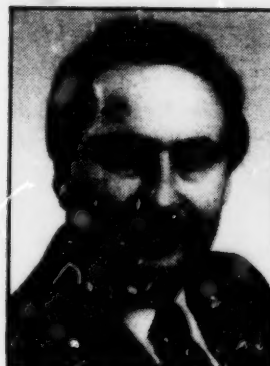
The Honourable Sylvia O. Fedoruk, OC, SOM
Lieutenant Governor of the
Province of Saskatchewan

Madam:

I have the honour to present herewith the
Annual Report for Saskatchewan Public
Participation for the fiscal year ending
March 31, 1990.

Respectfully submitted,

Grant Schmidt
Minister of
Economic Diversification
and Trade



To the Honourable Grant Schmidt
Minister of Economic Diversification
and Trade

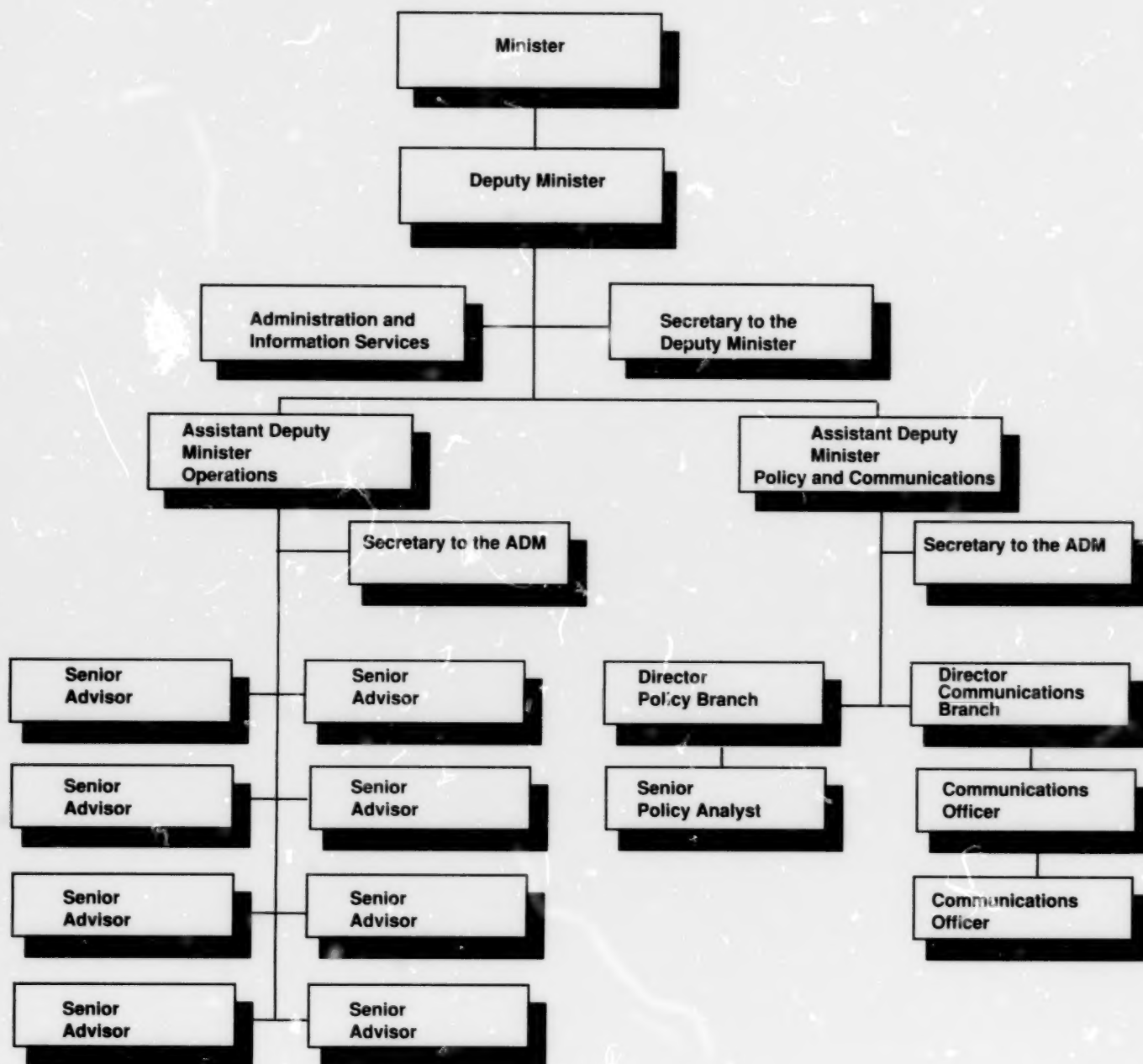
Sir:

I have the honour to submit for your
consideration the Annual Report for
Saskatchewan Public Participation for the fiscal
year ending March 31, 1990.

Respectfully submitted,

Henry L. Kutarna
Deputy Minister of
Economic Diversification and Trade

Organization Chart (March 31, 1990)



The Year in Review

Saskatchewan Public Participation was established in 1987 to increase economic activity in the province and to diversify Saskatchewan's industrial base.

Department programs stimulated the increased participation of Saskatchewan residents, employees, community groups and businesses in the provincial economy.

The 1989-90 annual report documents the department's initiatives and achievements in various financial areas including:

- **Bond offerings** to help fund capital projects;
- **Share offerings** to raise equity capital for growth, diversification and expansion into new markets;
- **Employee ownership** to stimulate business development and employee participation;
- **New forms of service delivery** to improve service, reduce taxpayer costs, increase local control and enhance economic benefits; and
- **Asset development** to develop provincial assets and increase financial benefits.

During the past fiscal year and the two years preceding it, Saskatchewan Public Participation made substantial contributions to the economic growth and diversification of Saskatchewan.

On April 1, 1990, Saskatchewan Public Participation was merged with the Departments of Economic Development and Tourism, Trade and Investment, and Science and Technology to form the Department of Economic Diversification and Trade.

The Public Participation Program

Public participation in the economy stimulates economic growth and diversification through:

- **Bond offerings** which allow provincial residents to make secure investments and build savings while participating in the economic development of the province. Money raised through the sale of bonds pays for new services, helps to stabilize costs to the consumer and pays interest to Saskatchewan people instead of financiers abroad;
- **Share offerings** which allow former Crown corporations access to new capital so they can grow and diversify as Saskatchewan public companies. Saskatchewan people can benefit from dividends on their investment and growing value in their shares;
- **Employee ownership** which improves productivity and quality of former government commercial assets and enterprises;
- **New forms of service delivery** which improve service, reduce cost to the taxpayer and involve clients more directly in the services they receive; and
- **The development of public assets** in partnership with the private sector, which strengthens the economy through better operation of commercial assets.

Principles

The Public Participation program is designed to increase widespread participation of Saskatchewan people, employees, community groups and business in the economy of the province.

Public participation will:

- Build a better economy based on responsible management of resources and the proven strengths of Saskatchewan people;
- Create active partnerships between the public, business, communities and government to diversify the industrial base;
- Foster widespread public consultation, input, and active participation; and,
- Protect the rights of employees and Saskatchewan citizens at large.

Standards for Action

Ideas for Public Participation projects may come from a variety of sources: the public or private sector; volunteer groups; independent organizations and agencies; and, the public at large.

The Government will act only on those ideas which:

- Result in increased participation in the economy by all Saskatchewan people;

- Contribute to economic development and diversification;
- Protect the public interest by maintaining or improving service to the public and by demonstrating accountability for public expenditures;
- Respect the rights and interests of public sector employees;
- Achieve value for money for the taxpayer; and,
- Are fair and can be shown to be fair for all Saskatchewan citizens.

Objectives

Public Participation:

- Provides opportunities for large numbers of Saskatchewan people to participate directly in the development of the economy and in the delivery of government services;
- Creates new economic activity by building on the multi-billion dollar service and asset base of the provincial government and the skills of public servants; and
- Generates revenues, cost savings and tax benefits for Saskatchewan people.

Jobs Created to March 31, 1990

In just the two years of the department's existence, Saskatchewan Public Participation initiatives generated economic activity that resulted in the creation or preservation of jobs with additional future jobs projected. Details are as follows:

Company	Activity	New Temporary Jobs	New Permanent Jobs
Investment Corporation			13
SaskPower - PowerBonds	administration	22	
SaskOil			140
Pro Arc Welding	welder machinist		2
Westbridge			83
Weyerhaeuser	paper mill Saskatoon Chem.	1,000	228 12
White Track		10	1
Business Tax Assistance			5
Justice Data Entry			5
Finance Data Entry			5
Provincial Inquiry Centre			5
Printco Graphics			7
Shoe Repair School			1
SARCAN			140
Saskatchewan Parks		143	107
Media House Productions			11
Rural Development Planning & Dev. Services			4
TOTAL		1,175	769

Jobs Preserved and Projected to March 31, 1990

Company	# of Jobs Preserved
Meadow Lake Sawmill 183 sawmill (NorSask Forest Projects) 250 bush	433
Printco Graphics (Sask. Government Printing)	21
SPMC Welder	1
Great Western Breweries Ltd.	24
TOTAL	479

Company	# of Jobs Projected
SARCAN	40
Westbridge	Computer Centre at University of Regina 20
Meadow Lake Sawmill	pulp mill operations 465 pulp mill construction 500
SaskOil	oil and gas activities 300
TOTAL	1,325

Bond Offerings

Government of Saskatchewan bonds offer Saskatchewan citizens secure investment opportunities with a competitive rate of interest. By purchasing these bonds, Saskatchewan people help to fund important capital projects. This reduces the need for out-of-province borrowing and helps to diversify the economy with Saskatchewan capital. The interest on these bonds stays in the province to circulate locally.

In 1989-90, the Potash Corporation of Saskatchewan offered Potash Ownership Bonds, available to Saskatchewan residents only. The bonds were convertible to shares in the Potash Corporation.

Potash Ownership Bonds

Date of Issue:	December 1, 1989
Interest Rate on Issue:	10.7 per cent
Original Issue:	\$100 million
Final Total Issued:	\$200 million
Total Applied For:	\$450 million
Denominations:	\$100 each
Total Participants:	73,000
Purchase Options:	Saskatchewan Crown and public service employees: up to \$2,500 per family member in multiples of \$100 by automatic paycheque deduction.
	All Saskatchewan residents: up to \$2,500 per person in ten equal installments by automatic bank account debit.
Term:	Three years

Bond and Share Offerings to March 31, 1990

AMOUNT RAISED THROUGH BOND OFFERINGS TO MARCH 31, 1990

BONDS	(\$ millions)
SaskOil	15.0
SaskPower	
Series I-IV	357.5
Power Plus	343.0
SaskTel - Telebonds	106.4
PCS Ownership Bonds	<u>200.0</u>
TOTAL	\$1,021.9

Bond Offerings represent money borrowed by Crowns from Saskatchewan people to fund development and diversification projects.

AMOUNT RAISED THROUGH SHARE OFFERINGS TO MARCH 31, 1990

SHARES	(\$ millions)
SaskOil	110.0
Westbridge	13.5
PowerPlus	
Convertible	125.0
PCS	<u>233.0</u>
TOTAL	\$ 481.5

As publicly traded companies, former Crown corporations are permitted access to the necessary equity capital to enable growth, diversification and expansion into new markets.

Employee Ownership

Employee-owned companies help Saskatchewan people take an active role in the province's economy and offer public service employees an opportunity to become entrepreneurs.

Giving employees a direct stake in their company spurs productive and efficient effort and yields profit. The business community can expand and improve its competitive position. New investment opportunities will set the stage for new markets, new companies, and better products and services for Saskatchewan.

The Toronto Stock Exchange estimates that employee-owned companies are as much as 25 percent more productive than other comparable companies listed on their exchange. The productivity gains are credited to ownership, incentive and efficiency.

In Saskatchewan, the response to employee ownership has been strong. In the year under review, the following employee-owned company was created.

Great Western Breweries Ltd.

After the closing of Carling's Saskatoon brewery, the employees bought the plant and began brewing their own line of beer products.

After a full year of negotiations and preparation, the new Saskatchewan product was introduced to the market on March 26, 1990.

Sixteen of 26 employees raised 30 per cent of the cost of purchasing in the brewery. Great Western is targeting for five per cent of the market but has the capacity to supply a full third of the market.

The company also had plans to expand and open a cannery to produce a full line of canned beer products.

PARTICIPATION BY SASKATCHEWAN PEOPLE IN THE ECONOMY TO MARCH 31, 1990

BONDHOLDERS

SaskPower	Series I-IV	45,385
	Power Plus	42,211
SaskOil		2,100
SaskTel	Telebonds	33,600
PCS Ownership Bonds		73,500
Total		196,896

PRIVATE SHAREHOLDERS

SaskOil	14,800
Westbridge	1,850
Total	16,650

EMPLOYEE OWNERS

NorSask Forest Products	183
Printco Graphics	28
DirectWest Publishers	44
Media House Productions	12
Great West Breweries	16

Total 283

EMPLOYEE SHAREHOLDERS

Westbridge	650
SaskOil	261
Potash Corporation of Saskatchewan	1,200

Total 2,111

TOTAL - BOND AND SHAREHOLDERS

215,940

New Forms of Service Delivery

In 1989-90, Public Participation continued to look at new approaches to deliver public services which would result in improved service, reduced cost to the taxpayer, greater local control, and economic benefits. In all cases, service was closely monitored to ensure standards were maintained and essential public services protected.

- Rather than expand the government bureaucracy, the government chose a private sector company to administer its Business Tax Assistance Program. The program was set up to assist Saskatchewan's business community by providing \$10 million in annual tax grants to local businesses. The contract was awarded to a Saskatoon firm following an open tender process. Saskatchewan taxpayers save \$25,000 annually for three years. Five new jobs were created for people with physical disabilities to administer the program.
- Data entry services with the Department of Finance have been contracted to a private company - Compushare Ltd. of Regina. Compushare's technological advances and proven marketing expertise ensure quality service delivery and cost efficiencies. Five new jobs were created.
- Saskatchewan Property Management Corporation has contracted out maintenance operations to small, private janitorial firms. No jobs were lost and improved service resulted, along with annual savings of \$375,000.
- Saskatchewan Highways and Transportation now contracts out 97 percent of construction work to the private sector. The department also now contracts out more than 30 per cent of its engineering work to private firms.
- Effective April 24, 1989, the custodial services provided to the Investment Corporation of Saskatchewan by the Department of Finance were transferred to a private trust company, for a saving to taxpayers of \$60,000 annually.

Asset Development

Government holds billions of dollars in Crown assets. Land, commercial operations and real estate facilities make up the bulk of these assets.

Inviting new partners to participate in the development of provincial assets has led to the creation of major economic benefits for Saskatchewan people.

New Investment Through Public Participation in the Economy

Initiatives Identified 1988-89

COMPANY	PARTICULARS	AMOUNT
Weyerhaeuser	new paper mill	250.0
	expansion of Saskatoon Chemicals	25.0
SaskOil	development of gas reserves	100.0
Premier Sask. Enterprises Ltd.	modernization of peat moss division	2.5
	research funding	0.5
NorSask Forest Products	Meadow Lake sawmill	
	- bush contracts	1.4
	- pulp mill (Miller Western)	236.0
	- sawmill modernization	3.2
	- sawmill expansion	1.7
Various Investors	new development of provincial parks (i.e., golf courses, hotels, marinas)	15.0
Moose Jaw Wild Animal Park	park site development - new facilities	0.9

Initiatives Identified 1989-90

Weyerhaeuser	two new sheeters	45.0
Westbridge Computer Corporation	computer centre at U of R	90.0
Various Investors	new development of parks (golf courses, hotels, marinas)	1.6

TOTAL		\$772.8
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Policy and Communications Division

Communications Branch

Mission

To educate and motivate Saskatchewan people to become active participants in the economy.

Corporate Communications

To develop, implement and manage a strategic communications program that supports the needs of the department and client organizations.

Public Awareness and Education

To ensure the widespread distribution of program and policy information to the Saskatchewan public.

Media Monitoring

To monitor, evaluate, document and analyze issues and trends specific to Public Participation.

Stakeholder Relations

To actively seek input and consult with Saskatchewan people across all sectors of society.

Policy Branch

Mission

To contribute to the successful achievement of the Government's Public Participation Program through policy development and evaluation.

Policy Development

To provide analytical and research support to the department and develop and evaluate guidelines for Public Participation initiatives.

Policy Evaluation

To assist in monitoring and evaluating the success of the Public Participation program.

Management Information

To lead the development and maintenance of program and project information which supports departmental planning and decision-making.

Intergovernmental Liaison

To establish and maintain liaison and sharing of information with other jurisdictions in Canada.

Highlights

The Policy and Communications Division was actively involved in a number of key areas:

- A corporate communications program was established and communications support was provided for all projects implemented by the Operations Branch;
- An in-depth stakeholder analysis was completed;
- The first intergovernmental meeting of senior officials across Canada was held to discuss public participation experiences;
- A departmental system was developed to organize and track projects;
- Major projects in employee ownership, a national savings and investment strategy, and new approaches to economic development were undertaken;
- Public consultation meetings and employee seminars were held throughout the province; and
- Ongoing advice and support was provided to the Minister and Deputy Minister.

Operations Division

Mission

To evaluate, co-ordinate and develop successful Public Participation initiatives.

Project Evaluation

To conduct an ongoing review of potential projects, ensure departmental objectives are met, evaluate the business plan, identify and assess the effect of projects.

Client Relations

To facilitate and co-ordinate a two-way communications process with community leaders and project participants, including employees.

Project Management

To develop appropriate implementation strategies, plan and schedule project activities, provide advice and guidelines on Public Participation, and provide timely advice.

Highlights

A number of major projects were undertaken. Operations advisors evaluated each project against Public Participation criteria and procedures, and assisted in project implementation. These projects included:

- Data entry services
- Direct West Publishing Ltd.
- Highway Ditch Mowing
- Janitorial services
- Media House Productions
- NorSask Forest Products
- Printco Graphics
- Pro Arc Welding
- Provincial Inquiry Centre
- Saskatchewan Parks
- SaskMinerals
- SaskPower Bonds
- SaskTel Bonds
- Westbridge Computer Corporation
- White Track Ski Area